



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: September 21, 2015

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Item: 729 Clausun Drive

Executive Summary. A request for a utility extension agreement (EA), voluntary annexation, and initial zoning has been received from Barron Company LLC for one non-contiguous parcel located at 729 Clausun Drive (Attachment 1).

This non-contiguous annexation (Case BDG1500003) would represent a satellite annexation if the request is approved. The site is located adjacent to the Kingsley Estates development. This development has access to water and city sewer found in the Clausun Drive right-of-way. The surrounding properties were provided utilities prior to the Council's policy of providing utility services only to parcels which have petitioned for annexation. The applicant proposes to construct a single family structure at the site if the request is approved.

Staff recommends an initial zoning of Residential Suburban-20, Falls of the Neuse/Jordan Lake-B (F/J-B) (RS-20, F/J-B). This designation is consistent with the City Council policy of designating the least intense zoning based on the Development Tier and size of the lot. The subject site is presently zoned Rural Residential (RR). As this is not a direct translation of zoning, the Planning Commission heard the request to modify the zoning at their April 14, 2015 meeting. The Commission unanimously recommended translating the zoning from RR, F/J-B to RS-20, F/J-B if the annexation petition is approved.

The proposed development has submitted an extension agreement for approval by City Council. Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing City of Durham sanitary sewers and water mains have capacity for the proposed development. The only offsite improvement required is the extension of water and sanitary sewer services to the site. Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue positive immediately upon annexation.

One motion, with three components, is required by law to approve the utility extension agreement, voluntary annexation petition, and zoning map change.

Recommendation. That the Council approves the utility extension agreement, voluntary annexation, and initial zoning.

Issues and Analysis. This request involves three separate items: a utility extension agreement, voluntary annexation petition, and an initial zoning.

Voluntary Annexation Petition

The Administration is requesting the Council conduct a public hearing and consider annexation of the subject properties with an effective date of September 30, 2015. The public hearing for Case BDG1500003 will be held in compliance with N.C. General Statute 160A-31.

Initial Zoning

State Statutes (General Statute 160A-360) require that a municipality annexing land place its zoning designation on the property within 60 days of the effective date of the annexation. Staff is recommending an initial zoning designation of Residential Suburban (RS-20) which is consistent with City Council policy designating the least intense zoning based on the Development Tier and the size of the lot.

Utility Impacts. Public Works and Water Management performed the utility impact analysis for the utility extension agreement and have determined that the existing City of Durham water main has the capacity for the proposed development. No offsite improvements will be required, other than connecting to the existing water service at the property. The site will be served by the Durham County sewer system.

Water service to property shall be provided by connecting to the existing water service line that is already connected to the existing 8-inch waterline in Clausun Drive. Water Management and Public Works are not requesting major infrastructure improvements. Sewer service will be provided by Durham County via the existing sewer line and sewer service line that is already located on the Property. Wastewater generated by City of Durham residents within the Northeast Creek Basin is treated at Durham County's Triangle Plant. The Developer is required to obtain all necessary approvals, permits, and easements from the City, Durham County, and/or any other party for any improvements to the wastewater collection and treatment systems required to serve the Project. There shall be no City participation in the cost.

Financial Impact. The gas and electric franchise tax has been eliminated and replaced with a state sales tax that is to be shared with cities. Due to these tax reform changes

the calculation related to sales tax projections for the purpose of this exercise has updated. Previously, cost-benefit impacts calculated sales tax based on prior year-end actuals with a cost inflator of two-percent. Since historical information is not yet available, cost-benefit impacts for FY15 will use the Adopted sales tax amount for calculation purposes. Once the first year has been collected, the calculation will return to using the prior year-end actual with an inflator.

The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2015-16 is \$982. The estimated annual General Fund expenditures associated with providing City services at build out is \$507. The estimated annual General Fund net gain to the City at build out is \$475. The cumulative estimated net gain to the City at build out is \$2,527. Please note that Impact Fee revenues are not included in the General Fund revenue estimates but are included in the cumulative net gain.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2024-25, including CIP expenses.

The chart below contains additional details regarding projected departmental revenue and expense projections.

Department/Type	Revenues	Expenses
Emergency Communications	No revenues anticipated	No additional expenses are anticipated
Fire	No revenues anticipated because development is residential	No additional expenses are anticipated at this time. This location is 10 minutes from Fire Station 16 and 10 minutes from Fire Station 12. That means the initial response to this location is outside of the recognized national standard of 5 minutes.
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	The total street impact fees are \$2,097 with the following breakdown: Parks and Recreation - \$425 Open Space - \$222 Street Impact - \$1,450 There are no anticipated developer credits for the street impact fees.	No additional expenses are anticipated
Parks & Recreation	No additional revenues are anticipated	No additional expenses are anticipated
Planning	No additional revenues are anticipated	No additional expenses are anticipated

Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$507 annually.
Public Works	No anticipated general fund revenues. Approximately \$93 in stormwater fees are anticipated.	There are no general fund expenses anticipated however there are an approximate annual cost of \$50 associated with stormwater.
Solid Waste	No additional revenues are anticipated	No additional expenses are anticipated because this is a non-service residence.
Transportation	No additional revenues are anticipated	No additional expenses are anticipated
Water Management	No general fund revenues anticipated	No general fund expenses are anticipated. Any expenditures will be covered by fees collected.

Alternatives. The Council could elect to deny voluntary annexation petition, and EA. No action would be required or authorized on the initial zoning

SDBE Summary. This item has no known SDBE impact.

Staff Resources.

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Attachments

Attachment 1: Context Map
Attachment 2: Aerial Map
Attachment 3: Utility Map
Attachment 4: Cost/Benefit Analysis
Attachment 5: Utility Life Cycle Costs
Attachment 6: Clerk Certification
Attachment 7: Utility Extension Agreement
Attachment 8: Planning Commission Minutes Excerpt
Attachment 9: BDG1500003 Annexation Ordinance
Attachment 10: Initial Zoning Ordinance
Attachment 11: Consistency Statement